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Governor

Alabama Medicaid Agency

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CAROL A. HERRMANN, MPH
Commissioner

May 2, 2005

PROVIDER NOTICE 05-01

TO: Nursing Facility Providers

SUBJECT: Resident Personal Laundry Adjustment

Due to problems observed in computing the resident personal laundry adjustment, the following guidelines will be effective with the June 30, 2005 Alabama Medicaid Cost Report:

The total cost of handling the personal laundry of residents must be deducted from actual laundry costs. If this cost cannot be separated from other laundry costs, two (2) one-week laundry studies based on weight must be conducted by the facility at six (6) month intervals. The laundry costs will then be reduced by the personal laundry proportion as determined by the studies. (Alabama Administrative Code Rule No. 560-X-22-.12)

The laundry study will be conducted based on the method used for the laundry:

- 1) All laundry is done in-house: weigh all laundry.
- 2) Facility laundry is done by outside service and resident laundry is done in-house: weigh all resident laundry and only facility laundry that is done in-house (emergencies).
- 3) All laundry is done by outside service:
 - a) If resident laundry & facility laundry is billed separately, weigh only laundry done in-house (emergencies).
 - b) If resident laundry & facility laundry is not billed separately, weigh all laundry.

The resident personal laundry adjustment will be computed for the above methods:

- 1) Total laundry expense, less: a) linen replacement and b) minor equipment, times resident laundry percentage.
- 2) Total laundry expense, less: a) outside service, b) linen replacement, and c) minor equipment, times resident laundry percentage.
- 3) a) Total laundry expense, less: a) outside service, b) linen replacement, and c) minor equipment, times resident laundry percentage.
- b) Total laundry expense, less: a) linen replacement and b) minor equipment, times resident laundry percentage.

If the cost of the resident personal laundry cannot be separated from other laundry costs, and the two (2) one-week studies are not conducted, the resident personal laundry adjustment will be determined by multiplying Medicaid resident days times \$1.25.

For the June 30, 2005 cost report, facilities who have not conducted laundry studies may conduct one study in May and one in June. In the future, the studies must be conducted at six-month intervals.

Carol A. Herrmann, Commissioner

Distribution List:

Alabama Nursing Home Association
Alabama Medicaid Agency Staff

Nursing Home Cost Report Preparers

REMINDER: All Medicaid recipients are required to present their Medicaid eligibility card and proper identification to a provider of medical services for verification of eligibility when seeking treatment or service under the Medicaid program.

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